

# Idaho Grain Market Report, March 13, 2020—NEW CROP PRICES

Published weekly by the Idaho Barley Commission  
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Prices paid by Idaho Elevators delivered to warehouses in specified locations for barley and wheat on Wednesday March 11, 2020. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>Barley (Cwt.) FEED  48 lbs or better</b>	<b>MALTING  Open Market Malting</b>	<b>Wheat (bu.) Milling  #1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Rexburg / Ririe	6.00-7.25		4.39-4.65	4.53	5.09	4.53-4.55
Idaho Falls		8.30-8.33	4.25	4.40	5.00	4.30
Blackfoot / Pocatello		7.06	4.25	4.40	5.00	4.30
Grace / Soda Springs	7.00			4.57	5.08	4.62
Burley / Rupert	6.25		4.64	4.42	4.69	4.52
Twin Falls / Buhl Jerome / Wendell	6.00-7.25		4.60	4.50	5.05	4.55
Nampa / Weiser			NA			
Nezperce / Craigmont	4.96		5.00	4.95	5.97	
Lewiston	5.48		5.26	5.21	6.23	
Moscow / Genesee	4.99-5.18		5.03-5.17	4.98-5.10	6.00-6.12	

## Prices at Selected Terminal Markets, cash FOB

Wednesday March 11, 2020. Barley prices in \$/Cwt. And wheat prices in \$/bu.

	<b>#2 Feed Barley 46 lbs. --</b>	<b>Malting Barley</b>	<b>#1 SWW</b>	<b>#1 HRW 11.5% Protein</b>	<b>#1 DNS 14% Protein</b>	<b>#1 HWW</b>
Portland			6.00	5.81-6.01	6.47-6.82	
Ogden	7.80		4.43	4.67	5.18	4.72
Great Falls	4.50-6.50	7.00-7.75		4.70-4.88	5.44-5.54	
Minneapolis						

## Market News and Trends This Week

**BARLEY**—Idaho cash feed barley prices were down \$0.25 to up \$0.25 for the week ending March 11. Idaho cash malt barley prices were unchanged for the week. For the period February 28– March 5 USDA FAS reported for no net barley for 2019/2020.

**Barley News-** According to the report of the USDA Grain: World Markets and Trade (March 2020), with larger production, the European Union has exported more barley in the first quarter of 2019/20 than the previous trade year. France and Germany are major exporters within the EU, shipping primarily to Saudi Arabia, China, and Iran. Greater exportable supplies have pressured barley prices which, in turn, have provided an advantage to EU barley exports. In addition, strong exports are attributed to reduced competition from Australia and Russia. In the last 2 decades, the EU and Australia have been the top two barley exporters. However, Australia's recent drought has affected production and substantially squeezed exports on sky-high prices and Russia's exports have slowed as the country attempts to expand domestic use.

The EU has primarily raised its exports to China, becoming the top supplier. Previously, Australia held a 70-percent share of China's barley trade. However, in November 2019, China announced it would extend the antidumping and countervailing duty investigation of Australian barley. The Chinese government's action likely has influenced buyers to seek supplies elsewhere.

*Published by the Idaho Barley Commission (IBC) weekly except for weeks with major holidays. Information included is from reliable sources and every effort is made to ensure accuracy on the date of publication, but no independent review has been made and we do not guarantee completeness or accuracy. Use of this information is at your own discretion and risk. Editors: Laura Wilder, IBC Executive Director, lwilder@barley.idaho.gov and Wren Hernandez, IBC Office Manager, whernandez@barley.idaho.gov. Office Phone: 208-334-2090.*

## Market News and Trends This Week—continued

**WHEAT**—Idaho cash wheat prices were mixed for the week ending March 11. SWW prices ranged from down \$0.15 to up \$0.15 from the previous week; HRW prices were down \$0.30 to up \$0.12; DNS prices were down \$0.25 to up \$0.07; and HWW prices were down \$0.30 to up \$0.12. USDA FAS reported net sales for 2019/2020 for the period February 28-March 5 at 452,300 MT, down 17 percent from the prior week and down 6 percent from the previous 4 week average percent. Increases were to South Korea (144,600 MT), the Philippines (111,900 MT), Japan (77,400 MT), and Mexico (43,400 MT). Exports of 447,300 MT were down 31 percent from the previous week and down 17 percent from the prior 4-week average.

**Wheat News**—According to Agrinicesus, in the last economic downturn from January 2008 through June 2009 – which was also one of the most severe – soybeans fell from a peak of almost \$16.50/bu (\$606/mt) to a low of \$7.76/bu in the space of just four months – a whopping fall of 53%, according to CME data. Over that same period, corn fell 55% from peak to trough from \$7.37/bu (\$290/mt) to \$3.29/bu, while wheat fell 63% over the same period \$13.70/bu to a low of \$5.02/bu. And while from a graph that looks easy to slap the blame on the downturn, global consumption of wheat, corn and soybeans actually grew from 1.65 billion mt in 2008 to 1.72 billion mt in 2009 and to 1.77 billion mt in 2010, a rise of just under 4% per year. This was at a time when global GDP fell from \$63.7 trillion in 2008 to \$60 trillion in 2009 before rebounding to \$66 billion in 2010, according to IMF figures. In other news, Net sales of US wheat dropped 17% in the week to March 5 at 452,300 mt, while physical exports dropped 31%, USDA data showed Thursday. Sales were down 6% from the four-week average but landed almost in the middle of analysts' expectations of 200,000-600,000 mt.

**CORN**—USDA FAS reported net export sales for 2019/2020 for period February 28-March 5 of 1,471,200 MT, increases were primarily to Japan (750,500 MT), South Korea (198,400 MT), unknown destinations (178,800 MT), Mexico (163,800 MT), and Colombia (56,200 MT). Exports of 851,700 MT were to Mexico (368,200 MT), Japan (193,200 MT), Chile (84,600 MT), South Korea (66,800 MT), and Costa Rica (66,600 MT).

**Ethanol Corn Usage**—DOE's Energy Information Agency (EIA) reported ethanol production for the week ending March 6 averaged 1.044 million bbls/day – down 3.24 percent from the previous week and up 3.88 percent from last year. Total ethanol production for the week was 7.308 million barrels. Ethanol stocks were 24.334 million bbls on March 6, down 2.52 percent from last week and up 2.54 percent from last year. An estimated 104.71 million bu of corn was used in last week's production bringing this crop year's cumulative corn usage for ethanol production at 2.78 billion bu. Corn used needs to average 104.467 million bu per week to meet USDA estimate of 5.425 billions bu for the crop year.

## Futures Market News and Trends—Week Ending March 12, 2020

### FUTURES MARKET SETTLEMENT PRICES for the Week Ending Thursday, March 12, 2020:

Commodity	March 2020	Week Change	May 2020	Week Change	July 2020	Week Change	Sept 2020	Week Change
CHI SRW	\$5.08¼	-\$0.13	\$5.05½	-\$0.10¼	\$5.06¾	-\$0.10	\$5.13½	-\$0.10½
KC HRW	\$4.31¼	-\$0.08	\$4.32¾	-\$0.13½	\$4.39¾	-\$0.13¾	\$4.49	-\$0.14
MGE DNS	\$4.99¼	-\$0.09¾	\$5.09	-\$0.16¼	\$5.20¼	-\$0.14¾	\$5.30¾	-\$0.13½
CORN	\$3.69¾	-\$0.07½	\$3.65¾	-\$0.10¼	\$3.68¾	-\$0.10½	\$3.67½	-\$0.10

**WHEAT FUTURES**—Wheat futures prices were down for the market week ending March 12. **Wheat futures prices were down \$0.16¼ to down \$0.08 (per bu) compared to the previous week.**

**CORN FUTURES**—Corn futures prices were down to end the market week March 12. **Corn futures prices ranged from down \$0.07½ to down \$0.10½ (per bu) under the previous week.**

**CRUDE OIL FUTURES**—The world's top oil exporter Saudi Arabia is going after Russia's oil market share in Europe with deeply discounted Arab Light crude at up to three times the usual volumes, people with knowledge of European refiners' operations told Bloomberg on Thursday. Crude markets were hammered this week due to the coronavirus crisis but were starting to stabilize on Friday.

EIA reported U.S. crude oil refinery inputs averaged 15.7 million bbls/day during the week ending March 6, 2020 was 5,000 bbls/day more than last week's average. Refineries operated at 86.4% of capacity last week. As of March 6, there was an increase in Crude Oil stocks of 7.664 million bbls from last week to 451.783 million bbls, under the 5-year average of 465.073 million bbls. Distillate stocks decreased by 6.404 million bbls to a total of 128.06 million bbls, under the 5-year average of 142.793 million bbls; while gasoline stocks decreased by 5.049 million bbls to 246.999 million bbls, over the 244.449 million bbl 5-year average. The national average retail regular gasoline price was \$2.375 per gallon on March 9, \$0.048 lower than last week's price and \$0.096 under a year ago. The national average retail diesel fuel price was \$2.814 per gallon, down \$0.037 per gallon from last week's level and down \$0.265 from a year ago.

**NYMEX Crude Oil Futures finished the week ending Thursday, March 12, 2020 to close at \$31.50/bbl (April contract), down \$9.78 for the week.**

## USDA Crop Progress / Condition Report—Next Report April 6, 2020

The first USDA Crop Progress/Condition Report for 2020 will be released April 6, 2020.

### United States Drought Monitor by the National Drought Mitigation Center—March 10, 2020

#### National Drought Summary for March 10, 2020:

**Northeast**— No new abnormal dryness developed this week.

**Southeast**— Abnormal dryness added in southern Florida.

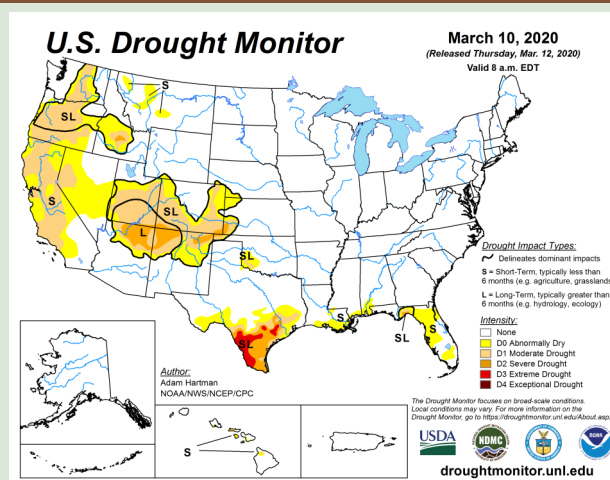
**South**— Abnormal drought expanded northward from the Gulf Coast of Louisiana, Mississippi, and Alabama. Moderate drought expanded northeast of Corpus Christi, Texas, and severe drought towards the coast.

**Midwest**— No drought or abnormal dryness in the Midwest this week.

**High Plains**— Some moderate drought was expanded in northeast Colorado. No abnormal dryness elsewhere.

**West**—Moderate drought expanded in Monterey County, Los Angeles County eastward and westward. Moderate drought was also expanded southward into San Luis Obispo County, Santa Barbara, and Ventura Counties in California.

**Looking Ahead**— Heightened chances for precipitation in central and southern California and the southern Rockies. Weekly above normal chances for rainfall are good along the Gulf Coast east of Texas.



### USDA U.S. Crop Weather Highlights—March 12, 2020

**West**—Heavy rainfall and flash flooding across southern California and the Southwest. The high elevation snowpack in the Sierra Nevada remains at 10 inches (less than 40% of the mid-march average).

**Plains**—Colder air across the Canadian Border into Montana along with snow showers. Mild conditions across the remainder of the nation's mid section. Rainfall and thunderstorms across the east-central Plains, including southern Nebraska and northeastern Kansas. Showers in parts of the eastern Dakotas and western Nebraska.

**Corn Belt**— Rainfall and thunderstorms are developing from the Mississippi Valley westward. Mild, dry conditions cover the eastern Corn Belt.

**South**— Warm conditions accompany showers. Interior sections of the South have abundant to excessive moisture for winter grains and spring pasture growth, but some dryness and drought exist across the Deep South, from southern Texas to Florida.

**Outlook for U.S.**— Cold air southward across western North America. Sub-zero temperatures across the northern Rockies and northern High Plains. Below normal temperatures in California and parts of the Southwest. Possible rainfall in parts of northern and central California. Some rainfall in most of the West, rainfall totals could reach 2– 4 inches from the southeastern Plains to the southern Appalachians. The NWS 6–10 day weather outlook for March 17–21 calls for below normal conditions along and west of a line from New Mexico to Minnesota. Warmer than normal conditions across the South, East, and Lower Midwest.

### International Crop Weather Highlights—March 10, 2020

**Europe**— Rainfall in Spain eased drought for vegetative winter grains. Abnormal warmth in Poland and the Baltic States hastened winter crops out of dormancy. Rainfall maintained abundant moisture for greening wheat and rapeseed over central and northern Europe.

**Middle East**— Rainfall along the eastern Mediterranean Coast and from eastern Turkey into northern Iran maintained adequate to abundant moisture supplies. Above normal temperatures in central Turkey and northwestern Iran ushered winter wheat and barley out of dormancy.

**Asia**— Rainfall produced unfavorably wet conditions in northern India and Pakistan for maturing wheat and rapeseed. Spring showers favored rapeseed entering reproduction while supporting early crop rice establishment in southern China. Rainfall slowed first crop rice maturation and harvesting but increased moisture supplied for the second and third crop seasons in areas of Java, Indonesia.

**Australia**—Rainfall increased soil moisture in advance of winter crop planting in eastern Australia. In areas of southern Queensland, drier conditions promoted maturation and harvesting of drought damaged summer crops. More rain needed for later planted sorghum.

**South America**— Dry, warm conditions fostered rapid development of summer grains, oilseeds, and cotton in Argentina. Sunny skies in southern Brazil promoted growth of second crop corn. Heavy rainfall in central and northeastern farming areas favored corn and cotton.

**South Africa**— Sunny conditions favored corn and other filling to maturing summer crops.

**Northwestern Africa**— Rainfall in eastern Algeria and Tunisia eased drought and benefited winter grain prospects. Intensified drought in Morocco and western Algeria increasing yield losses to reproductive wheat and barley.



## World Agricultural Supply and Demand Estimates (WASDE) March 10, 2020

**WHEAT:** The **March 10 USDA WASDE** Report states the 2019/20 U.S. wheat supply and demand outlook is unchanged compared to last month. The projected season-average farm price is also unchanged at \$4.55 per bushel. The 2019/20 global outlook this month for wheat is for higher production, increased consumption and exports, and lower ending stocks. Output is raised on higher production forecasts for India and Argentina more than offsetting reductions for Turkey and Australia. India's production is raised 1.4 million tons to a record 103.6 million, mainly on an updated government production estimate. World exports are increased by 0.8 million tons to 183.6 million as higher exports by Russia and Argentina more than offset reductions for Canada and Australia. Russia's exports are increased 1.0 million tons to 35.0 million, primarily on higher projected imports by Turkey as Russia is its leading supplier. Turkey's wheat imports are raised 2.0 million tons to a record-large 10.5 million on higher consumption, reduced production, and government policies to import additional quantities duty-free to stabilize domestic prices. Turkey's wheat imports have been rising for the last decade and the country is now projected to be the third-largest importer for 2019/20 behind Egypt and Indonesia. Wheat imports are also higher for Bangladesh as they increased to a record 6.5 million tons on a robust pace. Global consumption is raised 0.7 million tons as increases for Turkey, Bangladesh, and Canada more than offset reductions for the EU, Iraq, and Lebanon. Global ending stocks are projected lower this month but remain record large for the 2019/20 crop year at 287.1 million tons with China comprising 52 percent of the total.

**COARSE GRAINS:** This month's 2019/20 U.S. corn supply and use outlook is also unchanged relative to last month. The season-average corn price received by producers is lowered 5 cents to \$3.80 per bushel based on observed prices to date. Global coarse grain production for 2019/20 is virtually unchanged from last month at 1,402.8 million tons. This month's foreign coarse grain outlook is for slightly higher production, consumption, and stocks relative to last month. Global corn production is raised 0.4 million tons, as an increase for South Africa is partially offset by reductions for India, Peru, and Russia. For South Africa, production is higher as continued favorable conditions during the month of February boost yield prospects.

Major global trade changes for 2019/20 include higher projected corn exports for Ukraine, South Africa, and the EU. For 2018/19, Brazil's exports for the marketing year ending February 2020 are lowered based on smaller-than-expected late-season shipments. Partly offsetting is an increase for Argentina. Corn imports for 2019/20 are raised for Canada and Peru but lowered for the Philippines. China's sorghum imports are raised reflecting recent purchases from the United States. Foreign corn ending stocks are WASDE-598-2 raised, as increases for South Africa, Canada, and Russia more than offset a decline for Argentina. Global corn ending stocks, at 297.3 million tons, are up 0.5 million from last month.

**BARLEY:** The March 10 report shows the outlook for 2019/20 U.S. barley supplies unchanged since February at 264 million bushels. With projected yield and production also unchanged, at an estimated 77.7 bushels/acre yield and 2.2 million acres expected to be harvested. Projected use is unchanged at an estimated 176 million bushels, and projected imports unchanged at 8 million bushels. Ending stocks for 2019/20 are projected to be 88 million bushels. The season-average farm price is unchanged at \$4.60 on updated NASS prices.

**OILSEEDS:** U.S. soybean supply and use projections for 2019/20 are mostly unchanged this month. With soybean crush and exports projected at 2.1 billion bushels and 1.8 billion bushels, respectively, ending stocks remain at 425 million bushels, down 484 million from last year's record. Soybean and soybean oil prices are reduced this month. The U.S. season-average soybean price is projected at \$8.70 per bushel, down 5 cents. The soybean oil price is projected at 31.5 cents per pound, down 2 cents. Soybean meal prices are unchanged at \$305.00 per ton. This month's 2019/20 global oilseed outlook includes higher production and stocks relative to last month. Global soybean production is raised 2.4 million tons to 341.8 million, mainly on a 1-million-ton increase for both Argentina (to 54 million) and Brazil (to 126 million). Argentina's larger crop is due to overall favorable conditions in higher yielding central and northwestern farming areas. Soybean crush is lowered 1 million tons for Argentina on the current pace to date. With higher South American production and lower use, global soybean stocks are increased 3.6 million tons to 102.4 million. Another notable oilseed change includes a 1-million-ton reduction for palm oil production, mainly in Malaysia and Colombia, leading to a 19 percent year-over-year decline in global vegetable oil stocks.